

## **THE ROLE OF THE UN SUSTAINABLE DEVELOPMENT GOALS IN CORPORATE STRATEGY**

Roosa Laakso

Bachelor Thesis

Instructor: Dr. Kate Black

Date of submission: 6<sup>th</sup> of April 2021

### **Declaration**

By completing this cover sheet and declaration, I confirm that this assignment is my own work, is not copied from the work (published or unpublished) of any other person, and has not previously been submitted for assessment either at Aalto University, or another educational establishment. Any direct or indirect uses of material (e.g.: text, visuals, ideas...) from other sources have been fully acknowledged and cited according to the conventions of the Harvard Referencing System.



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**Author:**

**Title of thesis:** The Role of The UN Sustainable Development Goals in Corporate Strategy

**Date:** 6th of April 2021

**Degree:** Bachelor of Science in Economics and Business Administration

**Supervisor:** Dr. Kate Black

**Objectives**

The main objectives of this study were to investigate the extent of incorporation of the SDGs in corporate strategy and to define the motivators behind the decision of implementing the SDGs as part of corporate strategy in Finnish companies.

**Summary**

Literature on corporate sustainability and the SDGs role in corporate strategy was reviewed. Based on the literature review, a conceptual framework of the motivators and barriers to implementation of the SDGs as part of the corporate strategy was presented. Qualitative interviews were conducted with five Finnish companies in order to gain information on the SDGs role in the corporate strategy and the motivators behind the incorporation. The findings were analyzed and discussed in relation to the literature review in order to answer the research questions of this study.

**Conclusions**

The main motivators emerged from the interviews for implementing the SDGs in companies' corporate strategy with the Finnish companies were that the SDGs were perceived as a useful framework in mapping and measuring the companies sustainability impact and recognizing the stakeholders affected by the companies' sustainability practices. The SDGs were perceived useful at communicating about the broad sustainability themes externally and internally in the companies. The role of the SDGs in corporate strategy was found to be one of the components of the strategy rather than a base or a foundation in which the strategy is built upon. The corporate strategies were designed in a way that contributed to the SDGs the companies had defined relevant.

**Key words:** corporate sustainability, sustainable development goals, corporate strategy, sustainability

**Language:** English

**Grade:**

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## **1. INTRODUCTION**

This thesis discusses the role of the United Nations' Sustainable Development Goals (SDGs) in the corporate strategy and the motivators behind the implementation.

First, the background of the topic is introduced and the research problem is stated. Following this, the research questions and objectives are derived based on the research problem. The literature review introduces the key concepts and previous research of the topic. After that, the methodology of this study is explained and the primary data is analyzed in order to answer the research questions. The findings are discussed in relation to the previous research done in the literature review. The thesis is concluded by explaining the main findings, discussing the implications for international business and providing suggestions for further research of the topic.

### **1.1. Background**

Sustainability has become one of the leading trends in the business world and there is a growing demand and pressure for companies to adopt more sustainable practices. Over consumption and over usage of the earth's limited resources has led to a climate change, loss of biodiversity and a mass extinction of species which are alarming signs for the urgent need for companies to adopt more sustainable business strategies. The planetary boundaries cannot be stretched forever and it is clear that the way of conducting business and managing the limited natural resources has to be changed. As a crucial part of economy, businesses play a major role in contributing to the sustainability issues but they also have a chance to make a positive impact towards a more sustainable future as the economy and companies are fully dependent on a healthy planet and rich biodiversity.

To ensure a more sustainable future globally, the United Nations launched the Sustainable Development Goals (SDGs) in 2015. The goals include 17 targets and

169 sub targets for a vision of a sustainable world by 2030. The ambitious set of goals vary from poverty eradication to better education and climate action. The sustainable development goals offer governments, companies and the NGOs a universal framework to contribute to in order to achieve a sustainable future for everyone in the planet.



The Sustainable Development Goals, UN News (2015).

While governments have the main responsibility of reaching the SDGs, the companies play a crucial role in reaching the goals as well. There are critiques that companies shouldn't include sustainability or the SDGs in their corporate strategy, as the main goal for companies is to generate profit and there is no need for companies to contribute to any other activities that don't generate income (Friedman, 1970) and majority of businesses still operate in that way. However, participating in the SDGs doesn't have to compromise the companies' main goal to generate profit as the SDGs are estimated to provide US\$12 trillion market opportunity for companies (Business & Sustainable Development Commission, 2017). Therefore sustainability and the SDGs can also benefit companies financially as the main purpose of the goals is to generate more sustainable growth for the planet. Ensuring good education, reducing inequalities and creating good health and well-being globally will also benefit companies in a form of skilled and healthy workforce. In addition to that, increasing the sustainable use of natural resources and materials will ensure that the companies won't run out of the



materials in the future. This thesis researches the SDGs from the business perspective and attempts to define motivators behind the companies decision to implement the SDGs as part of their corporate strategy.

## **1.2. Research Problem**

The United Nations has implemented Sustainable Development Goals in order to achieve a vision of a sustainable world by 2030. However, as an increasing number of companies around the world have voluntarily committed to SDGs in their business operations, the motivators and the role of the SDGs as part of the organization's strategy hasn't been widely studied, especially among Finnish companies.

## **1.3. Research Questions**

Based on the research problem, the research questions of this study were defined as follows:

1. What is the role of the United Nations Sustainable Development Goals (SDGs) in corporate strategy in organizations that have implemented them?
2. What are the motivators behind the incorporation of the SDGs as part of corporate strategy?

## **1.4. Research Objectives**

The research objectives were derived from the research questions:

1. To investigate the extent of incorporation of the SDGs in corporate strategy.
2. To define the motivators behind the decision of implementing the SDGs as part of corporate strategy.

## **2. LITERATURE REVIEW**

### **2.1. Introduction**

The purpose of the thesis is to research how the United Nations Sustainable Development Goals impact the strategy in companies that have implemented them. Therefore the aim of this literature review is to study the previous research and provide theoretical understanding in the field of corporate sustainability in business organizations. The literature review starts with providing definitions of sustainability and sustainable development and following this, corporate sustainability strategy and the integration of the Sustainable Goals in companies' strategy will be analyzed. Finally, the general motivators and drivers as well as common barriers for implementing sustainability practices are studied.

### **2.2. Definitions of Sustainability**

In the recent years, sustainability and sustainable development has become one of the leading trends in the business world. Despite its popularity, sustainable development is certainly not a recent phenomenon and the concept gained popularity in the 1980s. In order to analyze sustainability in corporate context, it is first important to provide definitions of the concepts of sustainability and sustainable development. The most common definition of sustainable development, the Brundtland Commission report defines sustainability as ' a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.' (The United Nations, 1987: 8). From this standpoint, Elkington (1999) continues that sustainable development takes equally into consideration the economic, social and environmental responsibilities which are also referred to as the 'triple bottom line' (TBL). Although sustainability and sustainable development are often used as synonyms, Diesendorf (2000) supported by Broman and Robèrt (2015), distinguishes the concepts by defining sustainability as an end goal which is achieved through the process of sustainable development. The common theme among the definitions of sustainable development and sustainability is the emphasis on the triple bottom line of economic sustainability, social justice and conservation of the environment (Shapiro

et al., 2018). The next section will discuss the relevance of sustainable development and the triple bottom line in corporate context.

### **2.3. Corporate sustainability**

The implementation of sustainable development into an organization is called corporate sustainability (Ebner and Baumgartner, 2006). According to Zhang et al (2017), corporate sustainability applies the idea of the triple bottom line (economic, ecologic and social aspects) as a way to manage company's operations and responsibilities rather than focusing solely on economic performance. Corporate sustainability and corporate social responsibility (CSR) are often used as synonyms in business language, yet CSR is generally considered to have more emphasis on the social aspect of the triple bottom line whereas corporate sustainability is considered to emphasize the dimensions more equally (Alshehhi A, 2018 ; Fukukawa & Moon, 2004).

There has been various debates whether companies should consider other factors than economic factors in their operations and why they should engage in corporate sustainability. One of the loudest critics to corporate social responsibility and sustainability, Milton Friedman (1970), argued that companies should not have other responsibilities than maximizing profits for the company's shareholders. However, stakeholder theory by Freeman (1984), took an opposite stance to Friedman's shareholder theory by arguing that in order to keep the company successful in the long-term, companies should take into account all the stakeholders that are affected by the company's actions, not only the shareholders. In agreement with Freeman's theory, it can be concluded that companies are not separate entities from the society and the companies' impact and responsibilities stretch beyond their shareholders and as businesses also negatively contribute to various sustainability issues such as climate change by generating emissions, they should also carry responsibility to corporate sustainability. Whilst businesses are still founded and ran by economic purposes, the stakeholder theory expands companies' responsibilities from pure profit-maximization to value-creation for all the company's stakeholders (Freeman, 1984). Linking sustainability with the stakeholder theory, nature can also be considered as a stakeholder (Starik, 1995; Stead & Stead, 1996).

## **2.4. Stakeholder theory**

Stakeholder theory has gained popularity over the shareholder theory in the 21<sup>st</sup> century's business world as many companies have recognized the need to address their external impacts as stakeholders have become more demanding on companies' sustainability performance (Wang et al., 2020, Gervai et al., 2016 ; Renukappa et al., 2013). In addition, a positive impact between the stakeholder pressure and companies' implementation of corporate sustainability has been found (Singh et al., 2014 ; Wolf, 2013). Dyllick and Hockerts (2002: 131) even defined the corporate sustainability through stakeholders as 'meeting the needs of a firm's direct and indirect stakeholder (such as shareholders, employees, clients, pressure groups, and communities), without compromising its ability to meet the needs of future stakeholders as well'. The stakeholder theory can be beneficial in helping companies to identify the stakeholders affected by the company's actions and whom to take into consideration when making the corporate sustainability decisions in order to create value to all the relevant stakeholders (Zhang et al., 2017).

## **2.5. Corporate sustainability as a strategy**

In order to establish sustainability practices in companies, a strategy is needed. Corporate strategy is defined as "the pattern of major objectives, purposes or goals and essential policies or plans for achieving those goals" (Andrews, 1971), whereas corporate sustainability strategy describes how the sustainability issues are dealt in practice (Baumgarther et al., 2017). Strategic management considers the practical actions taken to ensure that the visions and goals in the corporate strategy transfer to concrete actions. Sustainability and corporate strategies can be fully separate from each other or partially or fully linked. Porter and Kramer (2006) highlight that the extent to which sustainability strategy is incorporated into the corporate strategy directly correlates with the effectiveness of the sustainability strategy. In agreement with Porter and Kramer (2006), various researchers argue that linking sustainability into corporate strategy is a crucial part of ensuring the companies' commitment to sustainable practices and their effectiveness and that the most efficient corporate sustainability

strategies are fully integrated to the companies' overall strategy covering all the operations of the company (Baumgartner and Eber, 2010; Porter and Kramer 2011 ; Stead and Stead, 2013). Baumgartner (2010) detected that companies with the highest corporate sustainability maturity levels eventually turn their whole operations into sustainable business models, meaning that sustainable practices are applied to all company's operations.

However, Galbreath (2009) and Hahn (2013) point out that companies sustainability practices often lack strategic perspective and sustainability strategies are treated separately from companies overall strategy and therefore further research on the strategic implementation of sustainability in the corporate strategy is needed. These findings are also supported by recent research by Kitsios et al. (2020) and Engert et al. (2017) whom state that while managers in companies have become increasingly aware of the importance of strategic approach to sustainability, they often face challenges in aligning corporate sustainability with the corporate strategy.

Although a positive relationship between corporate sustainability practices and companies financial performance has been detected (Chernev and Blair, 2015 ; Haffar and Searcy, 2017), it should be noted that establishing sustainable business practices doesn't automatically guarantee enhanced financial performance and financial business objectives have to be strategically linked with sustainability practices which enables companies to earn economic success while generating positive environmental and social impacts (Porter 2006; Long 2020).

### **2.5.1. Greenwashing**

Without a strategic approach to corporate sustainability, there is a risk of companies' conducting unintentional or intentional mismanagement of sustainability (Maniora, 2018) and in the worst case scenario, greenwashing. Greenwashing is defined as an action of misleading consumers about companies' sustainability performance (Delmas and Burbano, 2011; Gallicano, 2011). Thus, in order to achieve the potential advantages and minimize the risk of the misuse of corporate sustainability, it should be aligned with the corporate strategy.

## 2.6. Sustainable Development Goals in corporate strategy

In today's global and interconnected world, the sustainability problems are often interlinked and it's unlikely and inefficient for an individual business to try to solve all of the issues, which recalls for wider participation and regulation. As a solution to this, in 2015 The United Nations launched an ambitious global plan for sustainable development called The Agenda 2030, which presented a new sustainability framework for governments, businesses and NGOs, shifting the idea of triple bottom line of planet, people and profit to 17 bottom lines of the Sustainable Development Goals (SDGs) (Rendtorff, 2018). The Agenda 2030 Sustainable Development Goals include 17 goals and 169 sub targets, addressing wide variety of sustainability issues from poverty eradication to climate action. All of the goals are interlinked and cannot be achieved individually.



Picture: Triple bottom line visualization of the Sustainable Development Goals, Synergy Management Consulting (2021).

While nations have the main responsibility to implement the SDGs, the private sector has had a significant role in the planning process and in the contribution of SDGs and the companies are encouraged to adapt the SDGs as a guiding framework in their

corporate strategies. However, the significant role of private sector in the planning of the SDGs has been criticized by a profit-driven approach and that the voluntary framework isn't enough to push companies towards a significant change from the current over usage of natural resources and the conflict between constant growth and climate action. Therefore it's a relevant question, whether companies would be so interested to contribute to the goals if the goals itself wouldn't include the baseline idea of constant economic growth as part of the sustainable development.

When it comes to companies' contribution to the SDGs in their corporate strategy, Verboven and Vanherck (2016) note that due to their universal nature, the SDGs only partially provide a practical criteria for businesses to measure their sustainability actions which requires companies to become pro-active in the implementation process. Therefore companies need to work actively to adapt the SDGs as part of the business practice which might be problematic as many companies might lack time and resources to engage in the implementation process. On the other hand, the use of the SDGs is not regulated, meaning that any company can adopt the SDGs and use them as they like. While the ease of accessibility might improve the awareness of the goals, it can also lessen their credibility as a proof of sustainable practices. According to the Ethical Corporations' Responsible Business Trends report (2018), over 69% of the sample of 1500 business practitioners from across the globe stated that their businesses are incorporating SDGs into their corporate strategy and over half of the respondents were using SDGs as a communication and reporting tool. Kim (2018) states that companies using the SDGs only as a PR or communication tool might decrease the credibility of the SDGs if the companies don't contribute to the SDGs in their strategy. Alarmingly, only 10% of the companies measured their contribution to the SDGs. Similar findings can be found in a survey conducted by The World Business Council for Sustainable Development (WBCSD) in 2018, that also recognized the lack of concrete sustainability targets in the surveyed companies' corporate strategy. These findings indicate the need for a strategic approach to SDGs, which would enable companies to set concrete targets and measurements of the progress with the SDGs. However, as the Sustainable Development Goals in corporate strategy is also a rather new concept and since the goals were only launched in 2015, there is lack of significant research on the impacts of the SDGs role in corporate strategy.

Since The Sustainable Development Goals are a rather new phenomenon, the motivators and drivers for the implementation of the SDGs in the private sector hasn't been widely studied. Van der Waal and Thijssens (2020), argue that the SDGs differ from corporate sustainability due to the SDGs' wider set of goals that stretch to worldwide sustainability challenges such as SDG 1: no poverty and SDG 16: peace, justice and institutions, whereas corporate sustainability has addressed sustainability only on a corporate level and therefore Van der Waal and Thijssens (2020) argue, that the theories used to study corporate sustainability might not fully provide answers in the search of the motivating factors of the SDGs. Van der Waal and Thijssens (2020) conducted a research on the 2000 stock listed companies by analyzing the sustainability reports of the companies that mentioned SDGs in their reports. It was found that motivators for adopting SDGs were mainly symbolical and lacked strategic implementation to the companies' operations.

## **2.7. Institutional theory**

Institutional theory can be beneficial tool in explaining why companies decide to implement corporate sustainability practices such as the SDGs as part of their strategy. Institutional theory by Powell and DiMaggio (1983) studies the relationship of companies business decisions and social institutions. Institutions are defined as underlying social structures and rules which provide company an institutional environment it operates in. Powell and DiMaggio argued that order for business to survive, it has to adapt and earn its legitimacy in the institutional environment it operates in. The institutional environment consists of normative, regulative and cognitive pillars. Normative pillars are defined as the social norms, values and rules of the institutional environment, cognitive pillars as the cultural norms and regulative elements represent the legal rules and sanctions in the institutional environment. The Institutional theory proposes that obeying the institutional environment eventually shapes the companies' strategies to more homogenous direction within the same industry (Powell & DiMaggio, 1983). Henriques and Sadorsky (1996), proposed that the institutional environment affects the companies decisions and willingness to implement sustainability strategies and positive relationship between normative pillars and the implementation of sustainable strategies has been discovered. What this means in a context of corporate sustainability and strategy, is that adopting



sustainability strategies that match with the societal norms of the institutional environment enhances the company's legitimacy. However, institutional theory has its limitations and it has been criticized for focusing only on the impact of external pressures and ignoring the internal pressures within the organizations (Juárez-Luis et al. 2018).

## **2.8. Motives and drivers for corporate sustainability**

This part of the literature review aims to define the main motives and drivers for companies' adoption of corporate sustainability strategies. Engagement to corporate sustainability was long seen as a voluntary action for companies, but nowadays it has become almost a necessity in order to compete in the changing business environment driven by ecological and social trends. Many researchers have discovered corporate sustainability to provide many benefits to companies such as increased innovation and efficient resource management (Porter and Kramer 2006), better financial performance (van Bommel, 2011), and increased corporate image (Falkenberg and Brunsael, 2011 ; Hult et al., 2018). There are various drivers for implementing corporate sustainability in companies such as law and regulation, competitive advantage and corporate image. However, it should be noted that the drivers and motivators may vary within different industries and companies. Various researchers divide the drivers for corporate sustainability into external and internal drivers, where the internal drivers are the driving forces for sustainability inside the company and external drivers are the pressures the company faces from the outside of the company. This table below divides the drivers into external and internal pressures. The drivers will be specified further in the following sections.

Internal drivers	External drivers
Enhanced financial performance	Corporate image
Competitive advantage	Laws and regulations
Employee attraction	

Table 1: Internal and external drivers for corporate sustainability

### **2.8.1. Laws and Regulations**

Laws and regulations are external drivers for corporate sustainability and governments around the world are increasingly implementing laws and regulations pushing companies to adopt sustainability as part of their strategies (Gunningham, 2015). Porter and van der Linde (1995) argued that establishing proper regulation and environmental policies are vital tools in speeding innovation and industrial competitiveness, resulting in resource-smart processes and more sustainable practices. This is supported by various researchers, who have found legislation to be one of the main drivers of innovation and implementation of corporate sustainability practices (Ghisetti and Pontoni, 2015; Giunipero et al, 2012). As companies have a legal obligation to obey the laws of the country they operate in, different sustainability laws and regulations can be considered as effective drivers of implementation of more sustainability practices, as companies want to avoid the sanctions and penalties (Berrone et al., 2013). This is also supported by institutional theory by Powell and DiMaggio (1983), whom defined the legal rules and sanctions in the institutional environment as crucial factors for businesses to earn their legitimacy to operate.

### **2.8.2. Corporate image**

Corporate image and reputation is the public's perception of the company and protecting and strengthening the corporate image is extremely important for companies as unsustainable as unethical practices can damage the company's reputation. Reputation is considered as a valuable asset for company and sustainability performance is an important part of the corporate reputation (Calabrese et al, 2012). Research has found that implementing corporate sustainable practices contributes to better customer relationships (Peloza & Shang, 2011) and increases the employee attraction (Kim & Park, 2011). Research has also shown that corporate sustainability can positively affect to consumers perceptions of the company, which can lead to increased sales (Kim & Kim, 2017). However, if the company's main driver is to enhance its corporate image, there is a risk that companies with bad reputation implement sustainability only as a marketing tool without an actual commitment to corporate sustainability in its business practices. This is problematic, as in that case companies only attempt to take advantage of green marketing practices without a real

commitment to sustainability or reducing the company's environmental impact (Pimonenko et al, 2020).

The signaling theory suggests, that companies adopt sustainable frameworks or strategies in order to signal the public that the company is contributing to sustainability in a credible way and therefore increase its corporate image among its employees and the external stakeholders and generate potential competitive advantage (Fracaroli & Lee Park, 2017).

### **2.8.3. Competitive advantage**

Porter and Kramer (2006) argued, that implementation of sustainable strategies can offer a competitive advantage for the company through the innovation and development of new resource-effective products and processes, which can bring significant competitive advantage to the company. In addition, the first-mover companies adopting sustainability practices are likely to achieve competitive advantage in the market.

### **2.8.4. Enhanced financial performance**

As the primary goal of the companies is to generate profit, the economic motivators are usually the most motivating factors for companies to adopt sustainability practices. As mentioned previously, establishing corporate strategic sustainability practices can lead to significant resource and cost savings in the long term (van Bommel 2011 ; Porter & Kramer 2011). It can be argued that if corporate sustainability practices would not offer potential growth and increased profits, companies wouldn't have the incentive to adopt sustainability as part of their strategy and the corporate sustainability could be seen as purely philanthropic action (Gao & Bansal, 2013).

## **2.9. Barriers for implementation**

As listed above, there are various motives for companies to adopt sustainability strategies. However, the barriers of implementation are not as widely studied and the previous studies of the barriers are mainly focused on industry or country specific

barriers and barriers for Finnish companies haven't been researched. However, some general barriers across industries and countries can be defined.

Lack of resources is one of the most concrete barriers for corporate sustainability. Verboven (2018) points out that small and medium sized enterprises (SMEs) often lack knowledge and resources to adopt sustainability practices. While bigger companies usually have more resources, they also face difficulties in adopting the sustainability practices as the implementation is often a long process requiring a throughout re-evaluation of the current practices of the company. In addition, financial reasons can act for and against of the implementation process: while corporate sustainability can enhance companies' financial performance in the long run, the implementation process requires resources and investments which might result to negative profits in the short term (Renukappa et al., 2013) and increase the cost of materials and production. This is problematic to many companies, as the dominating business model is still focused on short-term planning and the single-bottom line of financial performance and increasing shareholder value (Van der Waal and Thijssens, 2020 ; Scheyvens et al, 2016) which leads to conflict between short term profitability and long term sustainability. As a result, corporate sustainability is often ignored by companies focusing on short-term planning. Therefore one of the major challenges to corporate sustainability is creating more long-term orientation in the companies and among their shareholders.

Although increasing amount of nations are tightening their legislation for corporate sustainability, sustainability practices are still mainly voluntary and the companies might not face enough pressure from the legislation to adopt sustainable practices. In addition, still in many countries companies are not required to deal with the negative externalities or stakeholders are not taken into consideration.

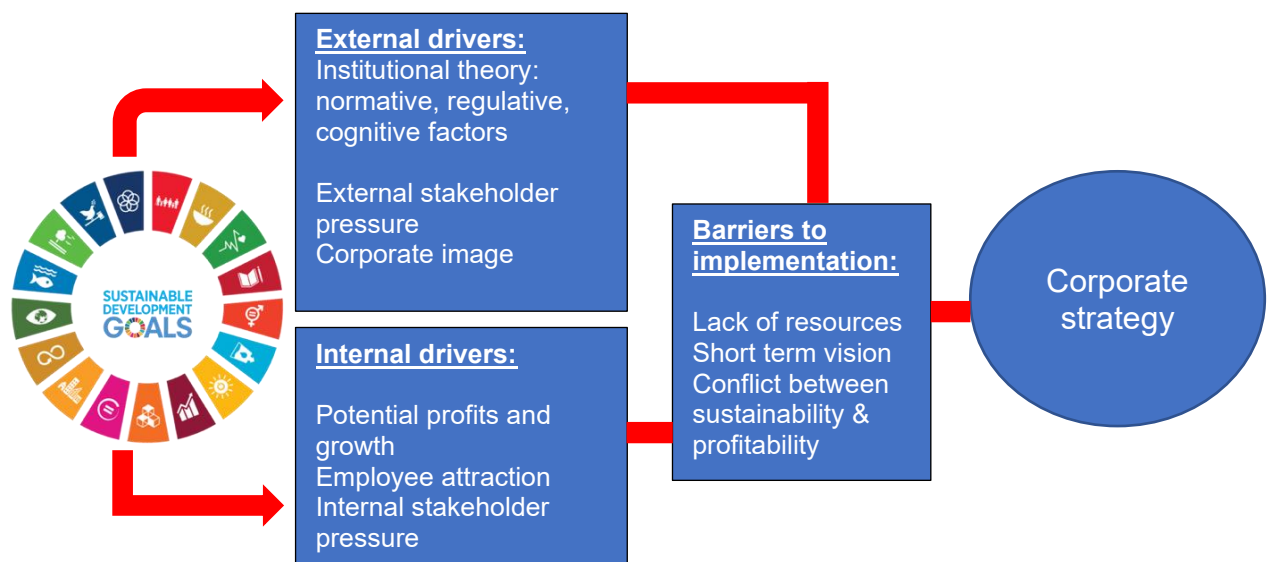
## **2.10. Conclusion**

This literature review aimed to define the relevant concepts in the field of corporate sustainability and corporate strategy as well as analyzing how the concepts have been studied together in the previous research. The relevant drivers and barriers of

corporate sustainability strategy were defined. The gaps of the research were defined and the study part of this thesis attempts to contribute to those gaps, such the motivators and barriers of the implementations of SDGs and the SDGs role in the corporate strategy in the context of Finnish business organizations.

## 2.11. Conceptual Framework

The following conceptual framework is constructed on the basis of the literature review above and the framework provides a foundation in order to reach the research objectives of this thesis. The ‘SDG wheel’, represents all of The Sustainable Development Goals and the arrows represent the motivators to adopt the SDGs as part of the corporate strategy and the impact the SDGs have on the corporate strategy. The conceptual framework includes the external and internal factors and the institutional and stakeholder theories related to the implementation drivers of the corporate sustainability strategy as well as the barriers to implementation.



The conceptual framework: Laakso (2021)

### **3. METHODOLOGY**

This section discusses the methodology used in the research in order to answer the research questions and objectives. The aim of this primary research was to study the motivators behind the implementation and the role of the SDGs in Finnish companies. A qualitative and exploratory research method was chosen in order to understand and explain the Finnish companies' experiences with the SDGs.

This section will begin by introducing and explaining the reasoning behind the chosen approach and data collection. Followed by this, the sampling process of the interviewees is described and the methods of analysis is explained. Finally, the limitations of the chosen methodology are discussed.

#### **3.1. Approach and Data Collection**

Qualitative and inductive approach was chosen, as the primary aim of the study was to research and describe the SDGs role in the corporate strategy and the companies motivators for implementing them, not to quantitatively measure the SDGs impact in the strategy. Therefore a qualitative approach was the most suitable option for the nature of this study. In addition, this study takes a cross-sectional approach as due to time constraints the study collects data from different participants at a single point in time and the study doesn't involve manipulating variables.

The primary data of this thesis was collected through semi-structured interviews with sustainability executives in five Finnish companies. The qualitative and inductive approach and the semi-structured interviews were chosen as the data collection method, since there was a lack of previous studies and existing questionnaires suitable for this particular study. Therefore an inductive approach was necessary in order to conduct the necessary theory building for this study, as there were no significant previous studies or theories to build the theory or hypotheses upon to take a deductive approach or conduct a survey. Inductive approach through semi-structured interviews allowed the author to collect the data, look for patterns and build

the theory based on the analysis of the data. The next section will discuss further the interview tools used in this study.

### **3.2. Devising the interview tools**

The interview questions were partially modified from a master thesis by Falkner (2018), whom had researched the implementation process of the SDGs in Austrian companies. However, the questions were altered to emphasize the motivational factors and the role of the SDGs in the corporate strategy rather than the implementation process itself. Therefore, majority of the eight questions were developed by the author (See Appendix 1). The questions focused on the companies motivators to adapt the SDGs and their perceived benefits and changes in the company after the implementation. In addition, the questions asked about the implementation process of the SDGs and how the relevant SDGs and the targets and measures were set for the goals. The semi-structured interviews allowed the interviewer to ask follow-up questions and gave the interviewees a chance to further elaborate their answers and points related to the questions.

The interviewees were contacted by email and the questions were sent for the participants in advance. The interviews took place between 8<sup>th</sup> – 26<sup>th</sup> of February 2021 via Zoom or Microsoft Teams and the length of the interviews varied between 30 minutes to 1,5 hours. The interviewees were scoped to upper sustainability managers as they have a good overview of the company's strategy and sustainability operations. The sampling of the interviewees is explained further in the next section.

### **3.3. Sampling**

The data sampling of this research was based on the following criteria:

1. the interviewee was in charge of sustainability in the company
2. the interviewee worked at a Finnish company which had adapted the SDGs as part of the corporate strategy

The companies were scoped to Finnish companies because of ease of accessibility and convenience. In addition, the Finnish companies were chosen in order to fill out the gap in the existing research and study the motivators and impact of the SDGs in Finnish companies, which had previously not been studied. The companies chosen represented different industries in order to get a better overview of how the SDGs were used as a part of strategy among different industries in Finland. Four of the companies, Neste, Nokia, Kesko and UPM were found through the UN Global Compact Finland's database which lists all the Finnish companies that have signed the ten principles of corporate responsibility by the Global Compact and have committed to promote the SDGs in their operations. Pohjolan Voima, a Finnish energy company, is not a part of the Global Compact network and they were contacted separately as the author already had the contact information. The specific companies were chosen through convenience sample as they were easy to find from the database and the contact information of the sustainability managers was easily accessible. The interviewees contacted from the selected companies were in charge of the sustainability, sustainability reporting and one of the interviews was in charge of the public relations in the company. The total number of interviews was five and the total number of participants was six, as Pohjolan Voima had two company representatives participating in the interview. The following table will introduce the companies, their industry and the relevant SDGs the companies have specified.

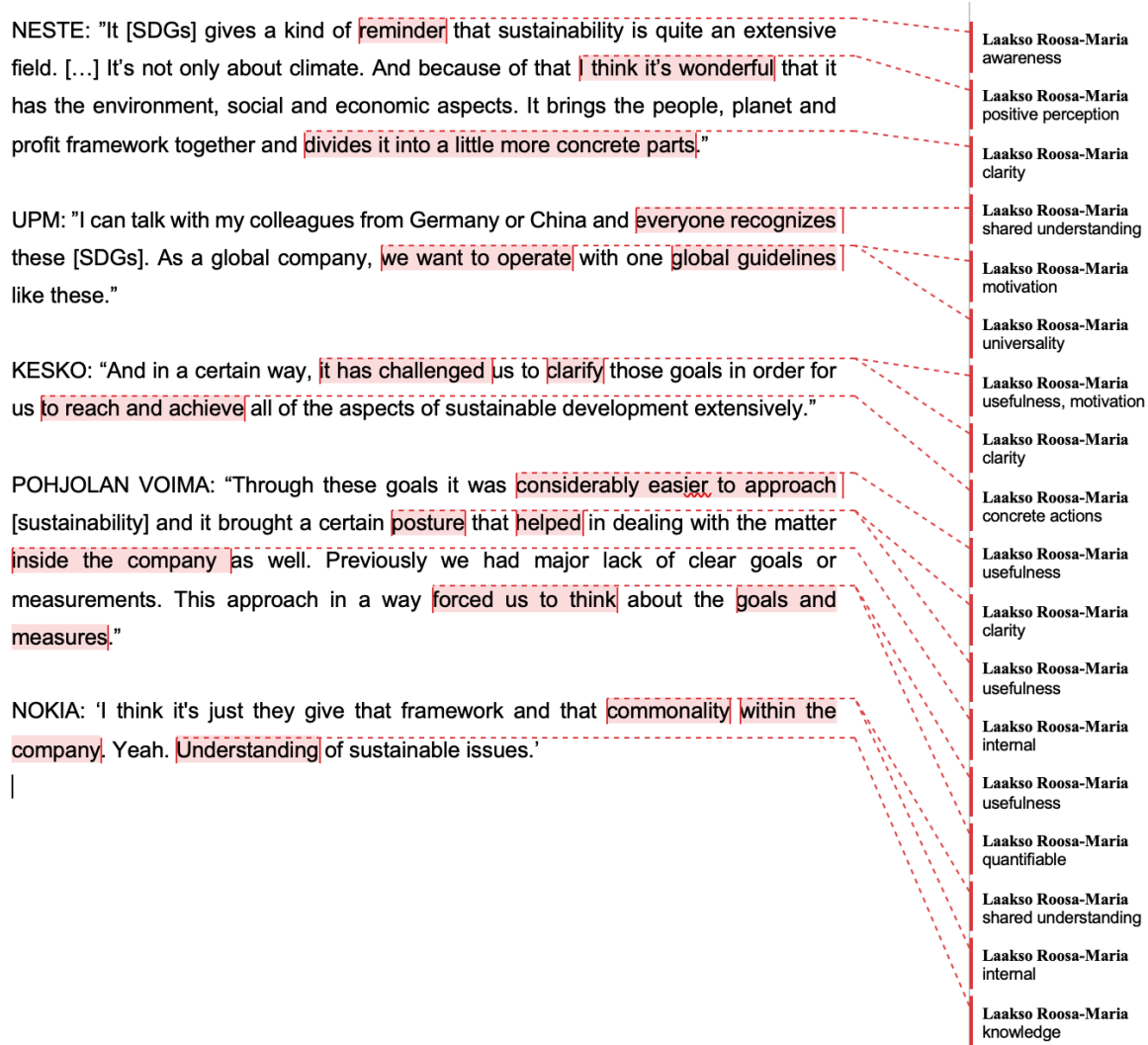


Company	Sector	Relevant SDGs
Neste	Oil & Gas producer	8: Decent work and economic growth 9: Industry, innovation and infrastructure 11: Sustainable cities and communities 12: Responsible consumption and production 13: Climate action 17: Partnerships for the goals
Pohjolan Voima	Energy company	7: Affordable and clean energy 8: Decent work and economic growth 15: Life on land 17: Partnerships for the goals
Nokia	Technology Hardware & Equipment	8: Decent work and economic growth 9: Industry, innovation and infrastructure 13: Climate action 17: Partnerships for the goals
UPM	Forestry & Paper	6: Clean water and sanitation 7: Affordable and clean energy 8: Decent work and economic growth 12: Responsible consumption and production 13: Climate action 15: Life on land
Kesko	General Retailer	8: Decent work and economic growth 12: Responsible consumption and production 13: Climate action

Table 2: Interviewed companies, industry, and the relevant SDGs defined by the companies.

### **3.4. Data Analysis**

This section explains the coding process and data analysis of the interview data. The interviews were held on Zoom or Microsoft Teams and the interviews were recorded on the author's phone and on the meeting platform. Four out of five of the interviews were in Finnish and the transcribing and coding process were conducted in Finnish. The direct quotes used in the findings sections were translated after the coding and analysis in order to generate as accurate data as possible and to avoid changes in the meanings during the data analysis. The interviews were analysed through content and thematic analysis. The transcriptions were read carefully several times and interesting and useful themes were assigned codes in the text. After that, all of the relevant and reoccurring themes were highlighted and similar themes emerging from the interviews were grouped together. The following parts of the transcript (Excerpt 1) and (Excerpt 2) demonstrate the coding process of the themes.



Excerpt 1: Initial coding of the interviews

Based on the initial coding of the data, the most relevant themes were derived from the initial codes. The following five themes were identified from the interviews: Universality of the framework internally and externally, quantifiable goals, brand maintenance, shared communication tool, changing global expectations and a component of corporate strategy were identified. The themes will be discussed further in the findings and discussion section.

NESTE: "It [SDGs] gives a kind of reminder that sustainability is quite an extensive field. [...] It's not only about climate. And because of that I think it's wonderful that it has the environment, social and economic aspects. It brings the people, planet and profit framework together and divides it into a little more concrete parts."

UPM: "I can talk with my colleagues from Germany or China and everyone recognizes these [SDGs]. As a global company, we want to operate with one global guidelines like these."

KESKO: "And in a certain way, it has challenged us to clarify those goals in order for us to reach and achieve all of the aspects of sustainable development extensively."

POHJOLAN VOIMA: "Through these goals it was considerably easier to approach [sustainability] and it brought a certain posture that helped in dealing with the matter inside the company as well. Previously we had major lack of clear goals or measurements. This approach in a way forced us to think about the goals and measures."

NOKIA: 'I think it's just they give that framework and that commonality within the company. Yeah. Understanding of sustainable issues.'

Excerpt 2: A demonstration of the themes identified from the transcript

Theme 1: Universality of the framework internally and externally

Theme 2: Quantifiable goals

Theme 3: Brand maintenance

Theme 4: A shared communication tool

Theme 5: Changing global expectations

Theme 6: Component of corporate strategy

### **3.5. Limitations of Methodology**

There were few limitations of methodology in the study. While the companies interviewed represented the biggest companies in their field in Finland, the sample size of five interviews is still fairly small. As the previous research and studies of the motivators and the role SDGs in corporate strategy is limited, the author had to create new questions in addition to the partially modified questions from Falkner's (2018) questionnaire. The interview questions were mostly developed by the author. Therefore the interview questions used in this thesis have not been previously tested before, meaning that the results cannot be fully connected or compared to earlier studies. In addition, four out of five interviews were conducted in Finnish and although the translation process of the transcriptions was conducted carefully, it is possible that some of the expressions have slightly changed their meaning when translated to another language. The author has taken that possibility into account in the translation process of direct quotes and attempted to translate the sentences from Finnish to English as accurately as possible in order to avoid any meanings to get lost in translation. In addition, another limitation of interviews is that they are non-naturalistic, meaning that the author is only able to understand what the interviewees tell to the interviewee which might be different from what the interviewees actually think or do.

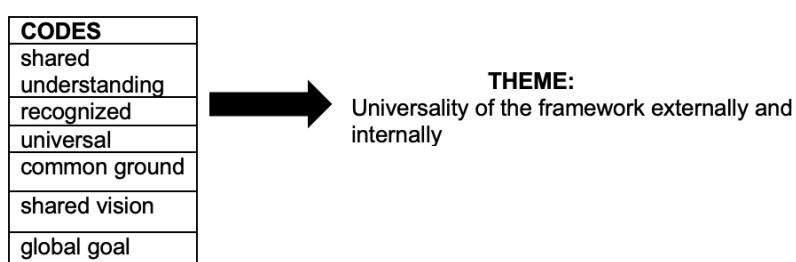
## 5. FINDINGS, DISCUSSION AND ANALYSIS

This section presents the findings from the primary data collected and discusses the findings of the study and their relationship with the previous research. The interviews were conducted to research the motivators behind the implementation of the SDGs and the role of the SDGs in the companies' strategy. The findings are organized by the most common themes that emerged from the interviews and divided under motivators and the SDGs role in the corporate strategy. The themes are discussed in the light of the previous research under each theme.

### 5.1. Motivators

One purpose of the thesis is to research the motivating factors behind the implementation of SDGs as part of corporate strategy. The following subsections presents the findings and themes grouped under motivating factors of the implementation of the SDGs and discusses them in the light of the previous research.

#### 5.1.1. Universality of the framework internally and externally



The following table of codes demonstrates of how the main theme was derived from the initial codes of the transcript. The universality of the SDGs was brought up in all of the interviews as one of the main motivators behind the implementation. All of the companies perceived the sustainable development goals as a recognizable global framework and the SDGs were seen as a shared vision and a common goal for companies to contribute to. All of the companies stated that the implementation of SDGs had raised awareness of the extent of sustainability aspects in the company.

"It [SDGs] gives a kind of reminder that sustainability is quite an extensive field. [...] It's not only about climate. And because of that I think it's wonderful that it has the environment, social and economic aspects. It brings the people, planet and profit framework together and divides it into a little more concrete parts."  
(Neste)

"They give a framework to our own employees as well as our business. For some people, they give what we call a North Star, it's a direction. Where do we want to get? Yeah, where do we want to be? Where do we want to be as people as employees, as a company? Everybody should have that. Yeah, every organization should have. It's a purpose." (Nokia)

"I think it's just they give that they give that framework and that commonality within the company. Yeah. Understanding of sustainable issues." (Nokia)

While all of the companies emphasized the universality of the framework, there were nuanced differences of how and why the universality was perceived important depending on the industry the companies operated in. Especially Nokia, UPM and Pohjolan Voima emphasized the internal aspects of the universality of the SDGs and how they had noticed that the implementation of the SDGs had also increased the employees' interest in the sustainability topics inside the company and giving the employees a feeling of working towards a common global goal.

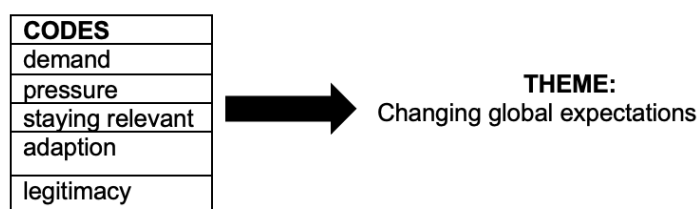
"We look, obviously, internally, at how people understand the whole topic, we see very clearly how passionate our own people are about certain topics related to the SDGs. People want to be part of something good and bigger than themselves. People want to contribute." (Nokia)

Whereas UPM, Nokia and Pohjolan Voima highlighted the internal benefits of the SDGs universality, Neste and Kesko emphasized more the external aspects and the importance of the universal sustainability framework with finding reliable partners and subcontractors in their long supply chain. Neste highlighted in the interview, that the SDGs have helped the company to map partners and clients with similar interests. If

potential clients or partners have identified the same goals, it gave a positive image of the potential partner and indicates similar goals and values.

These findings can be linked to Freeman's (1984) stakeholder theory which states that taking account the various stakeholders of the company is crucial for the companies' long-term success and creating shared value. The SDGs were found beneficial in helping all the companies interviewed to identify the stakeholders affected by the company's actions and whom to take into consideration when making the corporate sustainability decisions in order to create value to all the relevant stakeholders such as the employees. Therefore the SDGs can be seen as a useful tool for stakeholder mapping. For example Kesko had identified the most important stakeholders as the future generations and therefore the implementation of SDGs felt relevant in order to contribute to sustainable future. In addition to stakeholder theory, the signaling theory can explain why the universality of the framework was perceived so important to the companies. The signaling theory suggests, that the implementation of different sustainability frameworks can be seen as a way of signaling that the companies contribute to corporate sustainability in a credible way (Fracarolli Nunes & Lee Park, 2017). Therefore incorporating a universally recognized, credible framework can be a way of showing that the companies contribute to sustainability in a credible way while the companies can also take advantage of the framework's good reputation and global recognizability.

### 5.1.2. Changing global expectations



The second theme identified from the interviews was the companies adaption to changing global expectations and pressures in order to remain relevant to their customers and other stakeholders.



Pohjolan Voima is owned by other companies which had already adopted the SDGs in their own operations and the owners encouraged Pohjolan Voima to implement the SDGs as well. Internal pressure came also from the financiers, whom wished the company to adopt a framework that could enable the company to define measurable sustainability targets. The external pressures caused by the financiers and the investors were emphasized also emphasized by Neste and UPM. Sustainability and the SDGs weren't considered as enhancing the companies' financial performance, but a contribution to the goals was considered as a necessity in order to remain successful and profitable in the long-term.

"I think that in today's world it is so that sustainability doesn't necessarily bring more money on hand, but if we do not act sustainably, it will take money from the hand." (Pohjolan Voima)

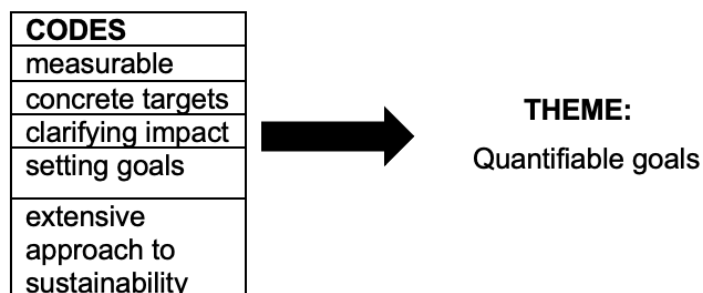
Back in 2016 when Nokia implemented the SDGs, the interviewee at Nokia didn't recognize external pressures of the implementation at the time. However, the interviewee stated that the general external pressure to adopt sustainable practices has increased after that.

"But also, there wasn't any external pressure at all. I don't think at that point. I think the external pressure has grown with time. [...] It's not a group or a certain point, pressuring. It's not legislation. It's not any of those things. The pressure came from the world around us." (Nokia)

These findings can be partially explained through the institutional theory by Powell and DiMaggio (1983) which focuses on the external forces guiding companies actions. According to the theory, in order for company to remain successful, it has to gain legitimacy to operate from the surrounding institutional environment. The implementation of the SDGs can be seen as a way for a company to gain legitimacy from its institutional environment as sustainability has become increasingly important to the stakeholders such as financiers and investors during the previous years (Wang et al., 2020, Gerval et al., 2016). The SDGs are globally accepted, common framework and the implementation of the SDGs can be seen as an attempt to gain legitimacy in the institutional environment. Nokia referred to the abstract external pressures of

institutional theory by stating that the increased external pressure hasn't come from a one certain group or from legislation but rather from the surrounding world, referring to the company's institutional environment. The external pressures by institutional theory can be hard to identify or point out, as they are often abstract and underlying social norms and values in the society. The normative and coercive pressures referring to the cultural and social norms and values can be identified to have an impact on the companies studied. Since the SDGs are a voluntary sustainability framework, the regulative pressures weren't mentioned as a factor affecting the companies motivation of the adoption of the SDGs. Pohjolan Voima adopted the SDGs due to the encouragement of their parent companies. This finding relates to the institutional theory's part on isomorphism, which means that all companies in the same industry eventually adopt the same strategies if they are found useful in other companies.

### 5.1.3. Quantifiable goals



Another frequent theme in the interviews was that the SDG framework was used in all of the companies to group the existing sustainability activities under the goals which enabled the companies to map where they had the most impact on the goals and follow whether they had been lacking a contribution in some of the goals. All of the companies had set concrete targets for themselves regarding the SDGs. Overall, all of the companies stated that the SDGs have challenged the companies to critically evaluate their role in the contribution of the sustainable development.

“And in a certain way, it has challenged us to clarify those goals in order for us to reach and achieve all of the aspects of sustainable development extensively.”  
(Kesko)

“I believe that the SDGs have been useful in raising awareness of the all the aspects related to sustainability and where our company has responsibility of the themes. And especially understanding, that sustainability is not just something that happens in a sustainability team, but it is in the company's operations. It would be wrong to say that those have come only now, because this company has done it really long.” (Neste)

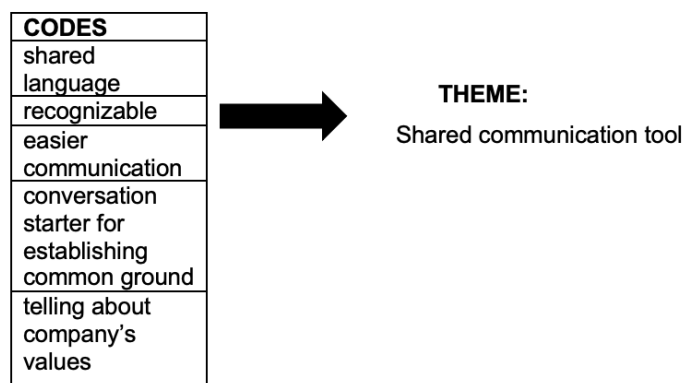
“Through these goals it was considerably easier to approach [sustainability] and it brought a certain posture that helped in dealing with the matter inside the company as well. Previously we had major lack of clear goals or measurements. This approach in a way forced us to think about the goals and measures.” (Pohjolan Voima)

While the previous research by Van der Waal and Thijssens (2020) and The World Business Council for Sustainable Development (2018) found that companies lacked strategic implementation and concrete measures for progress with the SDGs, the interviewed Finnish companies in this study stood out positively in contrast to the previous research as all of the companies in this study had defined measurable targets and goals for the relevant SDGs which is considered crucial in order to achieve the SDGs. As Verboven and Vanherck (2016) noted, the SDGs only partially provide a practical criteria for businesses to measure their sustainability actions, requiring the companies to become proactive in the process. A careful background work and the availability of needed resources was evident within all of the interviewed companies when asked about the implementation process. This indicates that the companies had overcome the most common barriers for the implementation of the SDGs, meaning that they had enough resources to define the relevant goals and had developed ways to measure the progress. In addition, the companies had a long-term vision for the goals and the companies didn't have a conflict between profitability and sustainability which are considered as one of the most common barriers for implementing sustainability practices (Van der Waal and Thijssens, 2020 ; Scheyvens et al, 2016).

Mapping the relevant goals and measuring the companies' impact on their stakeholders can be linked to Freeman's (1984) stakeholder theory. As all of the interviews stated, the companies found the SDGs as an useful framework to identify

the company's impact on the goals and measure the company's contributions to different aspects of the sustainability. In the light of the stakeholder theory, the SDGs can be seen as an useful tool for companies to identify the stakeholders affected by the company and help create shared value for the stakeholders through the quantifiable targets for the SDGs.

#### 5.1.4. Shared communication tool



Another evident theme emerging from the interviews was the SDGs usefulness as a shared communication tool. The universality of the framework was perceived as a significant benefit when it came to communication inside the company or in discussions with the company's stakeholders. All of the participants perceived the SDGs as a shared, global sustainability language in external and internal communication with partner companies and stakeholders, investors and financiers. While sustainability can be often perceived as an abstract topic with multiple meanings to different companies, the SDGs were recognized as a common ground to sustainability work and an useful tool in sustainability discussions in order to ensure that everyone has a mutual understanding and a shared vision of sustainability.

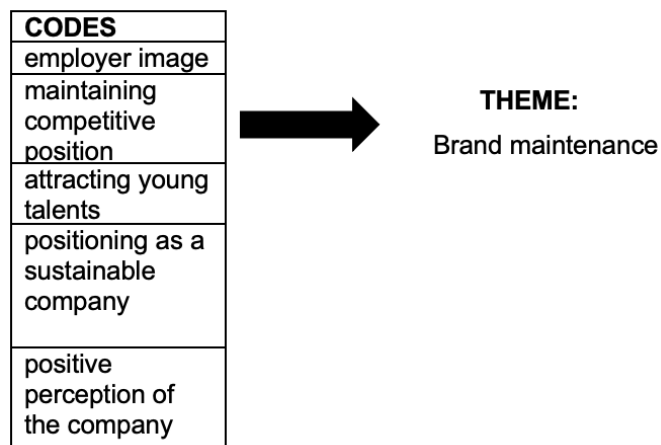
"I can talk with my colleagues from Germany or China and everyone recognizes these [SDGs]. As a global company, we want to operate with one global guidelines like these." (UPM)

"And one point with the SDGs is that these are a universal language though, and you can speak to anyone and quite a few recognize these." (Pohjolan Voima)

Pohjolan Voima also emphasized the increased transparency in the external communication of the company's sustainability and the company's targets due to the implementation of the SDGs. Another finding regarding communication was that financiers and investors had been increasingly interested in discussing the SDGs with the companies and had been interested to hear which SDGs are most important to their company. In the interviews, especially UPM, Pohjolan Voima and Neste emphasized that they have recognized a change in the conversations with the investors and financiers and their increasing interest and demand for the usage of the SDGs an linking them to concrete measurements and financial performance. This was considered as a positive surprise and a shift in the communication, as the finance world hasn't traditionally emphasized the triple bottom line of sustainability or brought up the SDGs in the discussion.

These findings are supported by signaling theory which can explain why all the companies emphasized the SDGs importance in internal and external communication as the implementation of different sustainability frameworks can be seen as a way of signaling that the companies contribute to corporate sustainability in a credible way (Fracarolli Nunes & Lee Park, 2017). The SDGs were perceived as an credible and recognizable way to report and communicate about the companies' sustainability work and the aspect that the goals were developed by the United Nations might enhance the credibility of the goals as the UN is universally recognized reliable organization. As found in the interviews, the SDGs had made the communication easier with the stakeholders by offering a common framework to discuss about sustainability and all of its aspects and even recognizing new relevant stakeholders through the 17 goals. According to Freeman (1984), taking the stakeholders into account is crucial for the company's long-term success and communicating with the stakeholders is important way of managing the stakeholder relationships.

### 5.1.5. Brand maintenance



Another central theme emerging from the data was the brand maintenance through sustainability and the SDGs. However, there were nuanced differences of how the brand maintenance through sustainable positioning occurred. Especially Kesko and Neste emphasized the importance of sustainability to their brand positioning and the incorporation of the SDGs were perceived as a natural step to maintain that brand positioning. One motivator of implementing the SDGs for Kesko was to keep their strategic and competitive position as the world's most sustainable grocery store. Neste emphasizes the importance of sustainability as their main product in the following statement:

"I think this is an exciting company in that way that what we sell is sustainability. Nobody wants to buy something renewable, if they are not sure that it is somehow going to help them reach their [customers'] sustainability targets."  
(Neste)

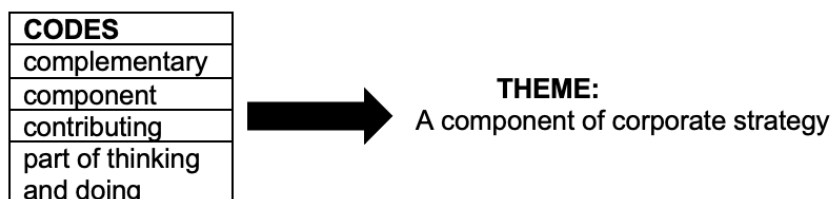
On the other hand, Nokia and UPM emphasized more the brand maintenance through employer image as a sustainable company and how it was important that the employees have a feeling that they can contribute to sustainability in the company.

"We know that we're more likely to attract young talent because of our sustainable, ethical, etc. position." (Nokia)

These findings are supported by previous research as implementing sustainable practices has been found to increase employee attraction (Kim & Park, 2011) and the companies' sustainability performance has been detected to be an important part of corporate reputation (Calabrese et al, 2012). As maintaining the corporate reputation is an important asset for companies, incorporating the SDGs seemed to be used as a way to signal to employees and customers the companies' brand positioning as a sustainable company. This finding is also supported the previously mentioned signaling theory (Fracarolli Nunes & Lee Park, 2017).

## 5.2. The SDGs role in corporate strategy

The following section presents the themes and findings related to the research question considering the SDGs role in the corporate strategy. In addition, each theme is discussed in relation to the previous research defined in the literature review. The following table of codes demonstrates of how the main theme was derived from the initial codes of the transcript.



### 5.2.1. A component of corporate strategy

The most prominent theme considering the role of the SDGs in the companies' corporate strategy was that the while all of the companies had implemented the SDGs as part of their corporate strategy, the SDGs weren't considered as the base foundation of the corporate strategy, but perceived rather as a component of the strategy. The following comments describe how the companies saw the SDGs in their corporate strategy:

“They're not the only thing driving our strategy. There are many other things driving strategy. So they're a component of it. And I think when you are successful and when the SDGs are understood, they are embedded in your strategic thinking.” (Nokia)

“Companies develop their strategies based on their own premises and it's not based on the UN's Sustainable Development Goals, but the strategy is developed in a way that when it's achieved, it contributes to the SDGs. Of course we have thought about the goals, but our strategy is not build based on those.” (UPM)

What was similar to all of the companies, was that the SDGs weren't the guiding factor of the corporate strategy but all of the companies highlighted that the strategies were designed in a way that they contributed to the relevant SDGs and the corporate strategy wasn't in conflict with the companies' SDGs. The finding that the corporate strategies are not based on the SDGs might come from the original purpose of the SDGs to be implemented by the governments of the UN members states. While the private sector and the NGOs are encouraged to implement the SDGs in their strategy, the SDGs might not automatically transform to a base of the corporate strategy which requires companies to go through their own thinking process and decision of the role the SDGs are going to take in the corporate strategy. However, the findings of this study show that the companies have linked the SDGs as a component of the corporate strategy and it seems to work the companies as the SDGs were stated to support the corporate strategy and vice versa. This finding differs from Galbreath (2009) and Hahn (2013) findings, as they pointed out that companies sustainability practices often lack strategic perspective and sustainability strategies are treated separately from companies overall strategy. Positively, all the companies in this study had integrated the SDGs as part of their corporate strategy. These findings are supported by Porter and Kramer (2006) whom state that linking sustainability into corporate strategy is a crucial part of ensuring the companies' commitment to sustainable practices and their effectiveness. Linking the SDGs as a component of the corporate strategy ensures that the SDGs are taken into account in the company decisions and quantifiable goals increase the effectiveness of the corporate strategy.



## **6. CONCLUSIONS**

The conclusion section summarizes the main findings of this thesis and discusses the implications for international business and suggestions for further research considering the topic.

### **6.1. Main Findings**

The main findings of the study answers to the research questions defined in the start of the thesis:

1. What is the role of the United Nations Sustainable Development Goals (SDGs) in corporate strategy in organizations that have implemented them?
2. What are the motivators behind the implementation of the SDGs as part of corporate strategy?

The role of the SDGs in the corporate strategy were very similar among all the interviewed companies. The SDGs were used as a component of the strategy, rather than a base or a foundation in which the strategy is built upon. However, the corporate strategy was not perceived to be conflict with the SDGs and the corporate strategy was designed in a way that supports and contributes to the SDGs.

The motivators of the implementation of the SDGs were similar across industries. All of the companies emphasized the universality and recognizability of the global framework and the shared language the SDGs offer in discussions with the companies' relevant stakeholders and helping to meet their needs. Another motivating factor was brand maintenance and adapting to the changing global expectations. While there were few nuanced differences between how the universality was important to different companies and how the SDGs were used in the brand maintenance, the majority of the motivators were similar. Overall, the SDGs were perceived as a useful framework in mapping the relevant sustainability goals and stakeholders affected by

the company's sustainability practices and communicating about the broad sustainability themes inside and outside the company.

## **6.2. Limitations of the study**

Limitations of this study exist and are introduced in this section. As mentioned in the limitations of methodology, the sample size of five companies was fairly small. While the Finnish companies were intentionally chosen to represent a variety of industries in order to gain an overview of the roles and motivators across industries, the results may not be generalized to represent all Finnish companies. While the thesis intended to fill out a gap in the research of motivators of Finnish companies, it should be noted that a larger sample and more research is needed in order to gain extensive understanding of the role of the SDGs in Finnish companies.

In addition, it should be noted that some of the participants interviewed hadn't been working at the company at the time of the decision of implementing the goals. Therefore the initial motivators at the time of the implementation might not have been fully identified.

## **6.3. Implications for International Business**

The implications for international business of this study are discussed in this section. While this study focused on researching the motivators and the role of the SDGs in Finnish companies, the findings can be used in international business as well. Almost all of the interviewed companies had international operations and some of them had a remarkable global market position in the industry they operate in. The SDGs provide an international sustainability framework and the study can offer other businesses across the world insights on how the different companies are using the SDGs as part of their corporate strategy. The SDGs are part of a globally agreed solution to reduce social inequality, fight climate change and ensure a stable economy that contributes to sustainable development. These massive themes and problems will affect all countries and international businesses if they are not dealt within the next decade.

While the member states of the United Nations are responsible for the goals in the first hand, international businesses play a crucial role in achieving those goals as well. Therefore the study of companies motivators to adopt the SDGs can help other companies to recognize the advantages the SDGs can offer for their businesses. This study found that the interviewed companies perceived the SDGs beneficial in many ways whether it came to brand maintenance, internal and external sustainability communication or setting quantifiable sustainability goals. As stated in the literature review, the stakeholder pressure demanding sustainability practices has increased over the years. Therefore internationally, companies should adapt to the changing global expectations by implementing the SDGs as part of their corporate strategy. The companies should also make sure that the SDGs are used to set concrete sustainability goals and that the progress with the goals is measured in order to avoid the misuse of the SDGs without a real impact on the companies' sustainability practices.

#### **6.4. Further Research**

This section suggests areas for further research regarding the SDGs in corporate strategy. As noted in the literature review, the SDGs in corporate strategy are still under researched and there is a need for extensive studies. This thesis attempted to gain insights on the motivating factors of implementation of the SDGs and the role of the SDGs in the corporate strategy in Finnish companies. However, there is still various potential topics for future research in the area of the SDGs in corporate strategy. A potential research topic for the future could be a qualitative research on companies that haven't implemented the SDGs and focusing on the barriers of implementation in order to gain insights on how to overcome them in organizations. While this thesis focused on Finnish companies, another interesting field of study regarding the use of SDGs in the corporate strategy would be to research the potential cultural differences and similarities among motivators and adoption of the SDGs in companies in different countries. While the SDGs are still a rather new framework, a longitudinal study would be an interesting way to study and measure whether the motivators or the role of the SDGs in corporate strategy change within the timeframe of 2015 to 2030 which is the target year for reaching the goals globally. While this study was qualitative in nature, a quantitative study of the SDGs role and impact in the

corporate strategy is needed. A quantitative research could be beneficial in analyzing the measures and targets the companies have implemented in order to reach the SDGs in their business operations and analyze their impact on the company's performance.

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## **APPENDICES**

### **Interview Questions**

1. When did your company implement the Sustainable Development Goals (SDGs)?
2. What were the motivators to implement the SDGs as part of the company's strategy?
3. Which of the SDGs did your company choose and how were the SDGs selected?
4. What is the role of the SDGs in the company's strategy?
5. What changed in your company after the implementation of the SDGs?
6. What benefits does the SDGs bring to the company?
7. How is the progress with the SDGs measured? Who is responsible of them?
8. What are the differences of the SDGs and other CSR initiatives in your opinion?